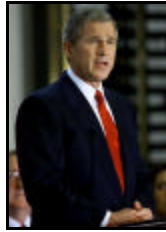




# AMERICA INVESTS IN SOUTH AFRICA

*"The advances of free markets and trade and democracy and rule of law have brought prosperity to an ever-widening circle of people in the world."*

*President George W. Bush  
March 15, 2002*



## BACKGROUND

The U.S. has a strong tradition of promoting free trade, combining a free enterprise international economic policy with a dynamic, competitive American economy and society. As the world's largest importer, the U.S. bought over \$1 trillion in goods from the rest of the world in 2001.

The African Growth and Opportunity Act (AGOA) expands trade between the United States and sub-Saharan Africa by allowing almost all products from AGOA-eligible countries to enter the U.S. duty free. AGOA added over 1,800 products to the list of eligible duty-free products, bringing the total number to about 6,500. AGOA aims to promote free markets, economic reform and growth in Africa.

AGOA has facilitated a growing trade relationship between the United States and South Africa. South Africa is the largest market for U.S. exports in sub-Saharan Africa, reaching \$2.8 billion in 2001. In the same year, South African exports to the United States grew by 5.4% in 2001 to \$4.4 billion, much of it due to AGOA. From January 2001 through July 2002, South Africa shipped over \$1.7 billion in goods to the United States that benefited from AGOA preferences.



## WHAT IS THE U.S. MISSION DOING?

- Working with South African government and business to publicize opportunities under AGOA.
- Facilitating U.S. investment in South Africa that leads to increased jobs and incomes, as well as the use of American equipment and technology.
- Encouraging the South African government to promote policies, both domestic and international, that will liberalize rather than impede trade, especially in telecommunications.
- Sharing information on U.S. positions on trade issues being negotiated at the WTO and other international bodies.
- Encouraging South Africa to improve the protection of international property rights by enacting stronger copyright protection laws and enforcing more effectively its laws against piracy.
- Helping U.S. businesses, both those based in the United States and those already invested in South Africa, to advance their economic interests in South Africa in a fair competitive environment.

## U.S. COMPANIES IN S.A.

- About 900 American companies operate in South Africa, employing over 125,000 people and with investments worth R19.6 billion.
- They spend R1.5 billion on corporate social responsibility programs such as burn units, crèches, clinics, AIDS projects, projects to combat abuse of women and children, literacy, school facilities, IT facilities, disabled, and sports facilities.
- Each year, these companies spend R16 million on training people to develop skills by providing training facilities for information technology, welding, farming, health, education, entrepreneurship, etc.

## United States Embassy in South Africa

### WHAT HAS HAPPENED?

- Total South African exports to the United States in 2001 have had a direct impact on over 94,000 jobs in South Africa, contributing R49 billion (\$4.9 billion) to South Africa's Gross Domestic Product.
- Over 20% of South African exports to the United States in 2001 entered under AGOA preferences, and these had a direct impact on over 19,000 South African jobs.
- August 2002 was a record month as apparel exports reached R135 million (\$13 million) as compared to the average of R35 million (\$4 million) per month recorded during 2001.
- The U.S. Trade Representative, Ambassador Robert Zoellick, came to South Africa in February 2002 and met with South African Department of Trade and Industry Minister, Alec Erwin.
- The United States and the five members of the Southern African Customs Union began exploring the idea of a Free Trade Agreement (FTA).
- President Bush exempted South Africa from temporary safeguard tariffs on steel imports.
- President Bush hosted South Africa and 34 other sub-Saharan African countries at an AGOA Forum in Washington in October 2001.
- At Monterrey, Mexico in March 2002, President Bush announced the Millennium Challenge Account, with a 50 percent increase in development aid \$5 billion worldwide over the next three years that will help to make aid, trade and reforms mutually reinforcing.
- The Trade and Development Agency (TDA) opened an office in Johannesburg to facilitate trade between U.S. and the region.
- President Bush signed "AGOA II" legislation that further enhances sub-Saharan Africa's access to the U.S. apparel market.



### WHAT'S NEXT?

- Secretary of Commerce Donald Evans will visit South Africa in November 2002.
- Mauritius will host the annual AGOA Forum in January 2003.
- Continued cooperation between U.S. and South Africa to advance global trade liberalization through the Doha Development Agenda.

### USEFUL WEBSITES

#### U.S. Trade Representative:

[www.ustr.gov/regions/africa/growth.html](http://www.ustr.gov/regions/africa/growth.html)  
[www.AGOA.gov](http://www.AGOA.gov)

#### Department of State:

[www.usinfo.state.gov/topical/econ](http://www.usinfo.state.gov/topical/econ)

#### Department of Agriculture:

[www.usda.gov](http://www.usda.gov)

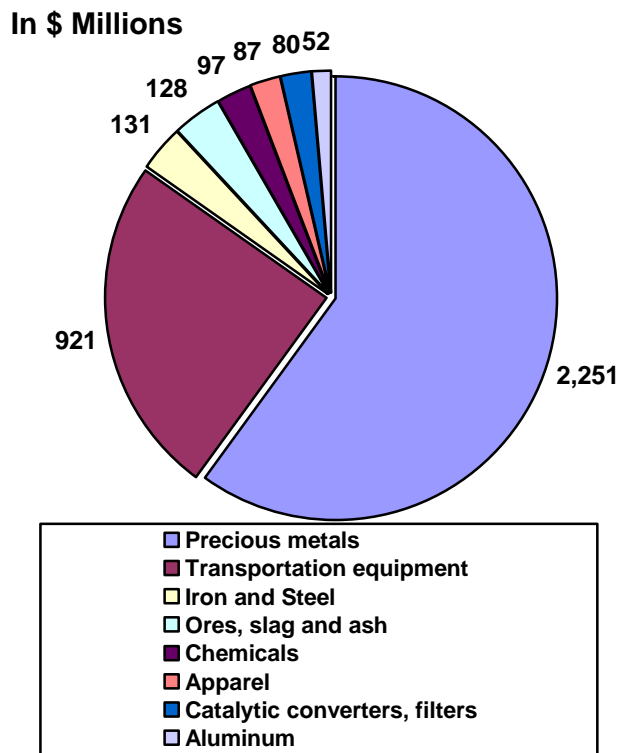
#### Department of Commerce:

[home.doc.gov](http://home.doc.gov)

#### U.S. Customs Service:

[www.customs.treas.gov](http://www.customs.treas.gov)

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